

Management improvement

Changes in organization of the Bureau and various improvements adopted during the fiscal year 1955 resulted in total estimated annual savings of \$579,200 to Mint operating appropriation and funds. Savings to the appropriation are estimated at \$426,200, to the Silver Profit Fund, \$125,000, and to reimbursable funds, \$28,000. Program savings are summarized in the following table.

Management improvement program, Bureau of the Mint, fiscal year 1955

Description	Estimated recurring annual savings
San Francisco Mint: Coinage operations suspended.....	\$360,000
Seattle Assay Office: Institution closed.....	55,000
Philadelphia Mint:	
Improved system of processing proof coin orders enables a typist to process 600 or more orders per day compared with former maximum of 90 orders per day.....	20,000
Improved packaging of proof coin sets.....	8,000
Adoption of wider silver ingot for silver coins results in increased ratio of good blanks to ingot weight, and reduces direct labor costs.....	4,200
Purchase of five-cent coin collars with carbide steel inserts. One such collar has produced over 8 million coins to date with little sign of wear, compared with an average of less than 300,000 coins per collar of the other type in use.....	1,000
Denver Mint:	
Installation of vibratory feeders, new counting machines, and modified stands for the machines enables an employee to operate two machines instead of one as formerly, increasing considerably the output per man-hour.....	5,000
Installation of new bridge cranes in rolling, reviewing, and counting sections speeds up flow of materials and eliminates bottlenecks.....	500
Installation of steel chutes from mezzanine floor to coin presses reduces manual handling of coin blanks in small lots and reduces considerably the danger of injury to employees.....	500
Shipment of silver coins in sufficient quantities to utilize armored truck service with rates substantially below those by other means of transportation.....	125,000
Total recurring annual savings to Mint operating appropriation and funds.....	579,200

The estimates of United States gold and silver production and the issue of gold and silver for domestic industrial, professional, and artistic use, made annually by the Office of the Director, are on a calendar year basis. During the calendar year 1954 total United States gold production amounted to 1,859,000 fine ounces, including 1,430,342 fine ounces received by the Government mints and assay offices. Total silver production in 1954 amounted to 35,584,800 fine ounces, including 33,863,098 fine ounces received by the Government mints and assay offices.

Gold and silver issued for industrial, professional, and artistic use in the United States during the calendar year 1954 amounted to 1,269,800 fine ounces and 86,000,000 fine ounces, respectively. Included were issues of Government-stamped bars by mints and assay offices amounting to 845,396 fine ounces of gold and 416,486 fine ounces of silver.

Bureau of Narcotics¹

The Bureau of Narcotics administers a program designed to deal with the control of sources of the illicit supply of drugs on international, national, and local levels.

Nationally, the Bureau is charged with the investigation, detection, and prevention of violations of the Federal narcotic and marihuana

¹ Further information concerning narcotic drugs is available in the separate annual report of the Commissioner of Narcotics.

126 1955 REPORT OF THE SECRETARY OF THE TREASURY

laws and of the Opium Poppy Control Act of 1942, and related statutes. The scope of the Bureau's operations is enlarging gradually as additional drugs are made subject to these laws. Opium and coca leaves and their derivatives have been under national control since 1915; marihuana has been under control since 1937; isonipecaine was brought under control in 1944; and under the act of March 8, 1946 (26 U. S. C. 4731 (g)), 18 recently developed synthetic narcotics have been brought under control through findings by the Secretary of the Treasury, proclaimed by the President, that the drugs possessed addiction liability similar to morphine.

Internationally, opium, coca leaves, marihuana, and their more important derivatives have been under control by reason of the Opium Conventions of 1912, 1925, and 1931. Under Article 11 of the 1931 Convention and the International Protocol of November 19, 1948, two additional opium derivatives and three additional synthetic drugs were found to have addicting qualities similar to morphine or cocaine and have been brought under international control during the fiscal year by a procedure similar to that provided in our national legislation. The agreement to limit the production of opium to world medical and scientific needs signed at the United Nations on June 23, 1953, after forty-four years of effort on the part of the United States to accomplish such an agreement was approved by the U. S. Senate on August 20, 1954. When the Protocol is ratified by a sufficient number of governments and becomes effective there should be a large reduction in the amount of opium available for the illicit traffic, particularly if production in Turkey and Iran is controlled.

In the United States important and effective aid in discouraging the illicit traffic in narcotics and marihuana continues to be afforded by the act approved November 2, 1951 (21 U. S. C. 174), and the 1954 Internal Revenue Code (26 U. S. C. 7237 (a)) which provide for mandatory minimum penalties for violation of certain narcotic laws, particularly for second and third offenders.

The Bureau directs its principal activities toward the suppression of the illicit traffic in narcotic drugs and marihuana and the control of the legitimate manufacture and distribution of narcotics through the customary channels of trade. It issues permits for import of the crude narcotic drugs and for export and intransit movements of narcotic drugs and preparations. The Bureau supervises the manufacture and distribution of narcotic substances within the country and has authority to issue licenses for the production of opium poppies to meet the medical needs of the country if and when such production should become in the public interest. Cooperation is given to States in local narcotic legislation and enforcement and to the Department of State in the discharge of the international obligations of the United States concerning the abuse of narcotic drugs and marihuana.

Although the total number of seizures in the illicit traffic in the United States during the fiscal year 1955 (2,530) was approximately the same as during 1954 (2,580) the total quantity of narcotics seized was somewhat less, amounting to 2,310 ounces as compared with 5,109 ounces in 1954, during which year a number of large smoking opium cases augmented the total quantities seized. Seizures of marihuana during 1955 amounted to 839 pounds bulk, and 5,826

cigarettes, as compared with 1,416 pounds bulk and 7,536 cigarettes in 1954.

Continued progress was made during the year in driving out some of the bigger racketeers in illicit narcotics. Many principal dealers in illicit drugs were caught and convicted and heavy prison sentences were imposed under the act of November 2, 1951.

Thefts of narcotics from persons authorized to handle the drugs increased slightly in number during 1955 and the quantity stolen was 1,730 ounces as compared with 1,764 ounces in 1954.

During the fiscal year there were approximately 300,000 persons registered with directors of internal revenue under the Federal narcotic and marihuana laws to engage in legitimate narcotic and marihuana activities.

The table following shows for the fiscal year the number of violations of the narcotic and marihuana laws by persons registered to engage in legitimate narcotic and marihuana activities and by persons who have not qualified by registration to engage in such activities, as reported by Federal narcotic enforcement officers.

Number of violations of the narcotic and marihuana laws reported during the fiscal year 1955 with their dispositions and penalties

	Narcotic laws				Marihuana laws	
	Registered persons		Nonregistered persons		Nonregistered persons	
	Federal Court	State Court	Federal Court	State Court	Federal Court	State Court
Pending July 1, 1954.....	163		1,256		352	
Reported during 1955:						
Federal.....	142		1,656		454	
Joint.....	14		215		92	
Total to be disposed of.....	319		3,127		898	
Convicted:						
Federal.....	34	1	1,113	287	322	77
Joint.....	7	2	90	114	71	16
Acquitted:						
Federal.....	1	2	34	7	12	5
Joint.....			2	4	4	
Dropped:						
Federal.....	130	2	402	54	85	25
Joint.....	12	2	32	26	28	11
Compromised: ²						
Federal.....	2					
Joint.....						
Total disposed of.....	195		2,165		656	
Pending June 30, 1955.....	124		962		242	
Sentences imposed:	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.
Federal.....	84	6	4		3,927	6
Joint.....	10	8		6	323	1
Total.....	95	2	4	6	4,250	7
Fines imposed:						
Federal.....	\$45,225		\$135,610		\$20,532	
Joint.....	1,900		5,865		3,777	
Total.....	47,125		141,475		24,309	
	5		250		37,363	
			141,475		1,624	

¹ Federal cases are made by Federal officers working independently while joint cases are made by Federal and State officers working in cooperation.

² Represents 2 cases which were compromised in the sum of \$2,300.

In foreign countries, investigation, surveillance, and negotiation are undertaken to restrict the amount of narcotic drugs entering this country. Through cooperation with the French and Italian Governments, agents of the Bureau of Narcotics have reduced the quantities of heroin and opium available to the illicit trade in the United States. The Bureau continues on guard against the large supplies of opium and heroin which are available in Communist China.

The importation, manufacture, and distribution of opium and its derivatives are subjected to a system of quotas and allocations designed to secure their proper distribution for medical needs. Additional quantities of opium were imported during the year. Coca leaf imports were sufficient both for medicinal purposes and for the manufacture of nonnarcotic flavoring extracts.

The quantity of narcotic drugs exported in 1955 was slightly lower than in 1954. The export total is not significant in comparison with the quantity used domestically. The manufacture of opium derivatives continued high, principally because of the high medical consumption of codeine and papaverine.

National defense operations have increased the responsibilities of the Bureau of Narcotics during recent years. The mobilization of large numbers of troops has resulted in many special requests from the military forces for aid by the Bureau of Narcotics in dealing with the traffic in narcotics in the areas near military installations; in problems incidental to the drafting of addicts; and in cases in which narcotic addiction has been given falsely as a reason to escape the draft.

In the field of management improvement an internal audit policy has been adopted covering all phases of the Bureau's operation, and several other projects in course of development have already resulted in improved operations. Two additional projects were initiated during the year, one a procedure for regulating oral prescriptions under the permissive function of the Bureau and the other the development, in cooperation with other organizations, of a procedure for the selection of international nonproprietary names for new drugs falling within the narcotic category.

Office of Production and Defense Lending

The Office of Production and Defense Lending was established on December 7, 1954, by Treasury Department Order No. 181-3 (see exhibit 53) under the direct supervision of an Assistant Secretary. There are assigned to the Office of Production and Defense Lending the functions with which the Secretary of the Treasury was charged as the result of the adoption of the Reconstruction Finance Corporation Liquidation Act. Specifically, these functions are as follows:

1. Liquidation of the Reconstruction Finance Corporation (Section 10, RFC Act, and Section 102, RFC Liquidation Act);
2. Administration of Federal Facilities Corporation (Section 107 (a) (1) RFC Liquidation Act, and Executive Order 10539);
3. Lending activities under Section 302, Defense Production Act (Section 107 (a) (2) RFC Liquidation Act, and Executive Order 10489); and

134 1956 REPORT OF THE SECRETARY OF THE TREASURY

Management improvement

The management improvement program of the Bureau of the Mint progressed during the fiscal year 1956. In response to the Secretary's request for a full-scale search for economies, all segments of the Mint organization were reviewed carefully for the purpose of effecting economies wherever possible. Continuing attention was given to improving operational efficiency.

Major attention was given to the modernization of melting and rolling equipment at the Philadelphia Mint, for the purpose of reducing manufacturing costs. Changes in the electrical equipment in the ingot melting operation have already resulted in annual savings of approximately \$47,000. Further improvements to melting and rolling equipment, now in process, are expected to result in additional annual savings in excess of \$300,000, based upon production of approximately 700 million coins annually.

Since the demand for coins increased greatly during 1956, it was necessary for the Mint to attain maximum possible production with available funds. A second shift was employed at the Denver Mint, and one-cent coin blanks which Denver produced in excess of its press capacity were shipped to Philadelphia to be finished into coins for use in the Philadelphia area.

An improvement in the handling of stamped coin from the presses at Denver resulted in annual savings of \$5,000; revised procedures for the handling of uncurrent coins returned to the Philadelphia and Denver Mints resulted in annual savings of \$12,000.

In the past it was necessary for the Mint to use appropriated funds for the purchase of alloy copper for subsidiary silver coinage. Substantial increases in the price of copper, as well as increases in the proportion of silver coins required, resulted in unforeseeable drains on the Mint's appropriation. Accordingly, legislation was requested and approved (Public Law 677, approved July 9, 1956), which permits the payment for copper required for subsidiary silver coinage from the gain arising from such coinage. That action will facilitate more effective production planning.

Bureau of Narcotics¹

The Bureau of Narcotics administers a program designed to deal with the control of sources of the illicit supply of drugs on international, national, and local levels.

Nationally, the Bureau is charged with the investigation, detection, and prevention of violations of the Federal narcotic and marihuana laws and of the Opium Poppy Control Act of 1942, and related statutes. The scope of the Bureau's operations is enlarging gradually as additional drugs are made subject to these laws. Opium and coca leaves and their derivatives have been under national control since 1915; marihuana has been under control since 1937; isonipecaine was brought under control in 1944; and under the act of March 8, 1946 (26 U. S. C. 4731 (g)), 24 recently developed synthetic narcotics have been brought under control through findings by the Secretary of the

¹ Further information concerning narcotic drugs is available in the separate annual report of the Commissioner of Narcotics.

Treasury, proclaimed by the President, that the drugs possess addiction liability similar to morphine. Six of these were added during the fiscal year 1956.

Internationally, opium, coca leaves, marihuana, and their more important derivatives have been under control by reason of the Opium Conventions of 1912, 1925, and 1931. Under Article 11 of the 1931 Convention and the international Protocol of November 19, 1948, four additional synthetic drugs were found to have addicting qualities similar to morphine or cocaine and were brought under international control during the fiscal year by a procedure similar to that provided in our national legislation. The agreement to limit the production of opium to world medical and scientific needs signed at the United Nations on June 23, 1953, after forty-four years of effort on the part of the United States to accomplish such an agreement was approved by the U. S. Senate August 20, 1954. By Senate Resolution 290 of June 14, 1956, other governments have been urged also to ratify this Protocol. When it has been ratified by a sufficient number of governments and becomes effective there should be a large reduction in the amount of opium available for the illicit traffic, particularly if production in Turkey and Iran is effectively controlled.

In the United States important and effective aid in discouraging the illicit traffic in narcotics and marihuana continues to be afforded by the act approved November 2, 1951 (21 U. S. C. 174) which provided for mandatory minimum penalties for violation of certain narcotic laws, particularly for second and third offenders. The Narcotics Control Act of 1956, approved July 18, 1956, provides further increased penalties and more effective measures of control.

The Interdepartmental Committee on Narcotics completed its work and submitted its report to the President on February 1, 1956. It contained a number of important recommendations, all of which are being carefully studied. Implementing action on some of the recommendations has already taken place.

The Bureau directs its principal activities toward the suppression of the illicit traffic in narcotic drugs and marihuana and the control of the legitimate manufacture and distribution of narcotics through the customary channels of trade. It issues permits for import of the crude narcotic drugs and for export and intransit movements of narcotic drugs and preparations. It also supervises the manufacture and distribution of narcotic substances within the country and has authority to issue licenses for the production of opium poppies to meet the medical needs of the country if and when such production should become in the public interest. Cooperation is given to States in local narcotic legislation and enforcement and to the Department of State in the discharge of the international obligations of the United States concerning the abuse of narcotic drugs and marihuana.

During the fiscal year 1956 the total quantity of narcotics seized amounted to 2,385 ounces as compared with 2,310 ounces in 1955. Seizures of marihuana during 1956 amounted to 873 pounds bulk and 4,329 cigarettes, as compared with 839 pounds bulk and 5,826 cigarettes in 1955.

Continued progress was made during the year in driving out some of the bigger racketeers in illicit narcotics. Several of the major

136 1956 REPORT OF THE SECRETARY OF THE TREASURY

dealers in illicit drugs were convicted and heavy prison sentences were imposed under the act of November 2, 1951.

Thefts of narcotics from persons authorized to handle the drugs decreased slightly in number during 1956; the quantity stolen was 1,371 ounces as compared with 1,730 ounces in 1955.

During the fiscal year there were approximately 295,000 persons registered with directors of internal revenue under the Federal narcotic and marihuana laws to engage in legitimate narcotic and marihuana activities.

The table following shows the number of violations of the narcotic and marihuana laws by persons registered to engage in legitimate narcotic and marihuana activities and by persons who have not qualified by registration to engage in such activities, as reported by Federal narcotic enforcement officers.

Number of violations of the narcotic and marihuana laws reported during the fiscal year 1956 with their disposition and penalties

	Narcotic laws								Marihuana laws			
	Registered persons				Nonregistered persons				Nonregistered persons			
	Federal Court		State Court		Federal Court		State Court		Federal Court		State Court	
Pending July 1, 1955.....	124				962				242			
Reported during 1956:												
Federal.....	118				1,677				376			
Joint ¹	11				110				57			
Total to be disposed of.....	253				2,749				675			
Convicted:												
Federal.....	31		1		979		264		221		74	
Joint.....	1			2	48		81		23		25	
Acquitted:												
Federal.....	3				32		13		10		2	
Joint.....					1		6		1		3	
Dropped:												
Federal.....	121		1		305		44		72		8	
Joint.....	6		2		24		9		18		3	
Compromised: ²												
Federal.....	1											
Joint.....												
Total disposed of.....	169				1,806				460			
Pending June 30, 1956.....	84				943				215			
Sentences imposed:	Yrs.		Mos.		Yrs.		Mos.		Yrs.		Mos.	
Federal.....	83	3	3		3,503	2	1,343	11	738	5	242	5
Joint.....			1		185	3	207	2	77		62	4
Total.....	83	3	4		3,688	5	1,551	1	815	5	304	9
Fines imposed:												
Federal.....	\$33,603				\$220,920		\$57,953		\$22,933		\$1,928	
Joint.....	1,000		\$5,000		9,530		550		2,661		5,600	
Total.....	34,603		5,000		230,450		58,503		25,594		7,528	

¹ Federal cases are made by Federal officers working independently, while joint cases are made by Federal and State officers working in cooperation.

² Represents 1 case which was compromised in the sum of \$4,000.

In foreign countries, investigation, surveillance, and negotiation are undertaken to restrict the amount of narcotic drugs entering this country. Through cooperation with the French, Italian, Turkish, Greek, and Lebanese Governments several large seizures of crude, semiprocessed, and finished narcotics destined for the United States were effected and two large clandestine laboratories closed. The Bureau continues on guard against the large supplies of opium and heroin which are available in Communist China.

The importation, manufacture, and distribution of opium and its derivatives are subjected to a system of quotas and allocations designed to secure their proper distribution for medical needs. Additional quantities of opium were imported during the year. Coca leaf imports were sufficient both for medicinal purposes and for the manufacture of nonnarcotic flavoring extracts.

The quantity of narcotic drugs exported in 1956 was slightly lower than in 1955. The export total is not significant in comparison with the quantity used domestically. The manufacture of opium derivatives continued high, principally because of the high medical consumption of codeine and papaverine.

National defense operations have increased the responsibilities of the Bureau of Narcotics during recent years. The mobilization of large numbers of troops has resulted in many special requests from the military forces for aid by the Bureau of Narcotics in dealing with the traffic in narcotics in the areas near military installations; in problems incidental to the drafting of addicts; and in cases in which narcotic addiction has been given falsely as a reason to escape the draft.

In the field of management improvement the Bureau revised its system of accounting for personal property, further improved its internal audit program, and continued its search for economies to accomplish the maximum utilization of available funds. It also published formal procedures and became fully organized to function in relocated areas in case of enemy attack.

Office of Production and Defense Lending

The Office of Production and Defense Lending administers the functions with which the Secretary of the Treasury was charged under the provisions of the Reconstruction Finance Corporation Liquidation Act (Public Law 163, approved July 30, 1953). Specifically, these functions are as follows:

1. Liquidation of the Reconstruction Finance Corporation (Section 10, RFC Act, and Section 102, RFC Liquidation Act);
2. Administration of Federal Facilities Corporation (Section 107 (a) (1) RFC Liquidation Act, and Executive Order 10539);
3. Lending activities under Section 302, Defense Production Act (Section 107 (a) (2) RFC Liquidation Act, and Executive Order 10489); and
4. Lending activities under Section 409, Federal Civil Defense Act (Section 104, RFC Liquidation Act).

Bureau of Narcotics¹

The Bureau of Narcotics administers a program designed to deal with the control of international, national, and local sources of the illicit supply of drugs.

Nationally, the Bureau is charged with the investigation, detection, and prevention of violations of the Federal narcotic and marihuana laws and of the Opium Poppy Control Act of 1942, and related statutes. The scope of the Bureau's operations is enlarging gradually as additional drugs are made subject to these laws. Opium and coca leaves and their derivatives have been under national control since 1915; marihuana has been under control since 1937; isonipecaine was brought under control in 1944; and under the act of March 8, 1946 (26 U. S. C. 4731 (g)), a total of 24 synthetic narcotics have been brought under control through findings by the Secretary of the Treasury, proclaimed by the President, that the drugs possess addiction liability similar to morphine.

Internationally, opium, coca leaves, marihuana, and their more important derivatives have been under control by reason of the Opium Conventions of 1912, 1925, and 1931. In addition to these, under Article 11 of the 1931 Convention and the international Protocol of November 19, 1948, two secondary derivatives of opium and 32 synthetic drugs have been found to have addicting qualities similar to morphine or cocaine and brought under international control by a procedure similar to that provided in our national legislation. The agreement to limit the production of opium to world medical and scientific needs signed at the United Nations on June 23, 1953, after forty-four years of effort on the part of the United States to accomplish such an agreement was approved by the U. S. Senate August 20, 1954. By Senate Resolution 290 of June 14, 1956, other governments have been urged also to ratify this Protocol. When it has been ratified by a sufficient number of governments and becomes effective there should be a large reduction in the amount of opium available for the illicit traffic, particularly if production in Turkey and Iran is effectively controlled.

In the United States important and effective aid in discouraging the illicit traffic in narcotics and marihuana continued to be afforded by the act approved November 2, 1951 (21 U. S. C. 174) which provided for mandatory minimum penalties for violation of certain narcotic laws, particularly for second and third offenders. The Narcotic Control Act of 1956, approved July 18, 1956, further increased penalties and provided more effective measures of control.

The initial effects of the new law are reflected in the statistics of sentences and fines imposed upon conviction. In Federal courts the average sentence per conviction for unregistered narcotic violators was 5 years 6 months in 1957 as compared with 3 years 7 months in 1956; and for marihuana violators it was 4 years 8 months as compared with 3 years 4 months in 1956. The average fine per conviction for unregistered narcotic violators was \$199 in 1957 as against \$224 in 1956; and for marihuana violators \$317 in 1957 as compared with

¹ Further information concerning narcotic drugs is available in the separate report of the Bureau of Narcotics entitled *Traffic in Opium and Other Dangerous Drugs for the Year Ended December 31, 1956*.

\$105 in 1956. The gradual stiffening of penalties at both national and State levels is slowly but surely producing a noticeably deterrent effect on the illicit traffic in those areas where the heavier sentences are imposed.

The Narcotic Control Act of 1956 has put into effect a number of the recommendations of the President's Interdepartmental Committee on narcotics by providing more drastic penalties and promoting a greater degree of cooperation between Federal, State, and municipal narcotic law enforcement agencies through establishment in the Bureau of a statistical division to gather and exchange narcotic law enforcement information, and a narcotic training school for State and municipal officers. Both were set up during the year. A comprehensive index of addicts is being accumulated. The training school, which is staffed by 22 experts in narcotic law enforcement, has already graduated 223 State and municipal narcotic law enforcement officers, representing 98 separate law enforcement agencies from 31 States and Puerto Rico. Officers from Canada, Afghanistan, and Indonesia have also attended the school.

Other activities in management improvement consisted of a revision of the Bureau's field instruction manuals, and improved fiscal controls which further synchronize its system of allotments and budgetary procedures.

The Bureau directs its principal activities toward the suppression of the illicit traffic in narcotic drugs and marihuana and the control of the legitimate manufacture and distribution of narcotics through the customary channels of trade. It issues permits for import of the crude narcotic drugs and for export and intransit movements of narcotic drugs and preparations. It supervises the manufacture and distribution of narcotic substances within the country and has authority to issue licenses for the production of opium poppies to meet the medical needs of the country if and when such production should become in the public interest. Cooperation is given to States in local narcotic legislation and enforcement and to the Department of State in the discharge of the international obligations of the United States concerning the abuse of narcotic drugs and marihuana.

During the fiscal year 1957 the total quantity of narcotics seized amounted to 2,089 ounces as compared with 2,385 ounces in 1956. Seizures of marihuana during 1957 amounted to 1,049 pounds bulk, and 3,051 cigarettes, as compared with 873 pounds bulk and 4,329 cigarettes in 1956.

Thefts of narcotics from persons authorized to handle the drugs increased slightly in number during 1957; the quantity stolen was 1,514 ounces as compared with 1,371 ounces in 1956.

During the fiscal year there were approximately 302,000 persons registered with directors of internal revenue under the Federal narcotic and marihuana laws to engage in legitimate narcotic and marihuana activities.

The table following shows for the fiscal year the number of violations of the narcotic and marihuana laws by persons registered to engage in legitimate narcotic and marihuana activities and by persons who have not qualified by registration to engage in such activities, as reported by Federal narcotic enforcement officers.

132 1957 REPORT OF THE SECRETARY OF THE TREASURY

Number of violations of the narcotic and marihuana laws reported during the fiscal year 1957 with their dispositions and penalties

	Narcotic laws								Marihuana laws			
	Registered persons				Nonregistered persons				Nonregistered persons			
	Federal Court		State Court		Federal Court		State Court		Federal Court		State Court	
Pending July 1, 1956.....	84				943				215			
Reported during 1957:	51				1,418				360			
Federal ¹									1			
Joint ¹												
Total to be disposed of.....	135				2,361				576			
Convicted:												
Federal.....	21		5		928		253		303		36	
Joint.....	2				13		20		1		8	
Acquitted:												
Federal.....	1		1		33		11		9		7	
Joint.....					1		1				1	
Dropped:												
Federal.....	59		3		287		42		58		8	
Joint.....	4				12		8		4			
Total disposed of.....	96				1,609				435			
Pending June 30, 1957.....	39				752				141			
Sentences imposed:	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.
Federal.....	50	1	4		5,130	6	984	3	1,404	3	115	7
Joint.....	4				27		46	6	7		32	6
Total.....	54	1	4		5,157	6	1,030	9	1,411	3	148	1
Fines imposed:												
Federal.....	\$8,150		\$1,700		\$186,531		\$14,154		\$96,504		\$200	
Joint.....	250				258		801				500	
Total.....	8,400		1,700		186,789		14,955		96,504		700	
Average sentence per conviction:												
1957.....	2	4		10	5	6	3	9	4	8	3	4
1956.....	2	7		4	3	7	4	6	3	4	3	1
Average fine per conviction:												
1957.....	\$365		\$340		\$199		\$55		\$317		\$16	
1956.....	1,081		1,667		224		170		105		76	

¹ Federal cases are made by Federal officers working independently, while joint cases are made by Federal and State officers working in cooperation.
² Includes 1 life sentence.

In foreign countries, investigation, surveillance, and negotiation are undertaken to restrict the amount of narcotic drugs entering this country. Through cooperation with the French, Italian, Turkish, Greek, Lebanese, Colombian, and Cuban Governments several large seizures of crude, semiprocessed and finished narcotics destined for the United States were effected and three large clandestine laboratories closed. The Bureau continues on guard against the large supplies of opium and heroin which are available in Communist China.

The importation, manufacture, and distribution of opium and its derivatives are subjected to a system of quotas and allocations designed to secure their proper distribution for medical needs. Additional quantities of opium were imported during the year. Coca leaf imports were sufficient both for medicinal purposes and for the manufacture of nonnarcotic flavoring extracts.

The quantity of narcotic drugs exported in 1957 was slightly more than in 1956. The export total is not significant in comparison with the quantity used domestically. The manufacture of opium derivatives continued high, principally because of the high medical consumption of codeine and papaverine.

Office of Production and Defense Lending

The Office of Production and Defense Lending was established on December 7, 1954, by Treasury Department Order No. 181-3, under the direct supervision of an Assistant Secretary. There were assigned to this Office all the functions which had been transferred to the Secretary of the Treasury by or pursuant to the Reconstruction Finance Corporation Liquidation Act of July 30, 1953. These functions were:

1. Liquidation of the Reconstruction Finance Corporation (Section 10 of the RFC Act, and Section 102 of the RFC Liquidation Act);
2. Administration of the Federal Facilities Corporation (Section 107 (a) (1) of the RFC Liquidation Act, and Executive Order 10539);
3. Lending activities under Section 302 of the Defense Production Act (Section 107 (a) (2) RFC Liquidation Act, and Executive Order 10489); and
4. Lending activities under Section 409 of the Federal Civil Defense Act of 1950 (Section 104 of the RFC Liquidation Act).

Liquidation of Reconstruction Finance Corporation

Liquidation of the loans, securities, commitments, and other assets of the Reconstruction Finance Corporation was continued throughout the fiscal year 1957. During the year there was paid into the Treasury from the proceeds a total of \$60,000,000. Reorganization Plan No. 1 of 1957 abolished the RFC effective June 30, 1957, and transferred the Corporation's remaining assets to other Government agencies administering similar continuing functions.

Federal Facilities Corporation

Pursuant to the provisions of an act approved June 22, 1956 (50 U. S. C. 98), the tin smelter at Texas City, Tex., was sold by the Federal Facilities Corporation to a private operator in January 1957. After this sale, the principal remaining functions of the Corporation were administration of: (1) the national security clauses of the contracts under which the synthetic rubber plants had been sold, (2) one synthetic rubber facility and an outstanding lease thereon, and (3) purchase money mortgages taken in the sale of the synthetic rubber plants and the tin smelter.

Effective June 30, 1957, responsibility for the remaining functions of the Federal Facilities Corporation passed from the Secretary of the Treasury to the Administrator of General Services in accordance with the provisions of Executive Order 10720 of July 11, 1957.

Defense Lending Division

The activities of this Division were the administration of lending programs authorized by Section 302 of the Defense Production Act

Management improvement

The management improvement program of the Bureau of the Mint, continuing during fiscal year 1958, resulted in total monetary savings of \$172,650 on an annual recurring basis, and a savings in manpower requirements of 19 employees.

The major monetary savings in 1958, amounting to \$151,000, were realized from curtailment of operations at the San Francisco Mint. Refinery operations were discontinued at the close of fiscal year 1957 and the mint has since been operated as an assay office and gold and silver depository. Equipment and supplies related to both coinage and refinery activities were transferred to other mint institutions or sold.

In addition, various other actions of significance contributed to the general efficiency and economy of the mint. For example, the modernization program of the Philadelphia Mint was continued with the installation of modernized melting and rolling equipment. Coinage presses transferred to the Denver Mint from San Francisco increased the number of presses there from 22 to 29. Denver's coinage production thereby increased 36.9 percent with an increase of only 25 percent in personnel. Other savings at Denver, amounting to \$11,650, were obtained by remodeled coin storage facilities; improved handling of coinage ingots and cut blanks; improved transportation of silver and copper from storage to make-up; and the installation of X-ray automatic strip gauge control.

As a source of copper for coinage, arrangements were made with the Navy Department to purchase about 1,800,000 pounds of cathode copper which were surplus to Navy's needs, at about 5 cents per pound below the market price. Its use in the manufacture of minor coins will result in an increase of approximately \$90,000 in seigniorage.

Continued attention was given to the programs of records management, forms and reports control, safety, control of communication costs, and incentive awards. Cash awards amounting to \$245 were granted to employees for suggestions resulting in savings of \$2,463 per year and intangible benefits.

Bureau of Narcotics¹

The Bureau of Narcotics administers a program designed to deal with the control of international, national, and local sources of the illicit supply of drugs.

Within the United States the Bureau is charged with the investigation, detection, and prevention of violations of the Federal narcotic and marihuana laws and of the Opium Poppy Control Act of 1942, and related statutes. The scope of the Bureau's operations continues to enlarge as additional drugs are made subject to these laws. Opium and coca leaves and their derivatives have been under national control since 1915; marihuana has been under control since 1937; isonipecaine, a synthetic known more generally as meperidine and internationally as pethidine, was brought under control in 1944; and under the act of March 8, 1946 (26 U. S. C. 4731 (g)), a total of 26

¹ Further information concerning narcotic drugs is available in the separate report of the Bureau of Narcotics entitled *Traffic in Opium and Other Dangerous Drugs for the Year Ended December 31, 1957*.

other synthetic narcotics have been brought under control through findings by the Secretary of the Treasury, proclaimed by the President, that the drugs possess addiction liability similar to morphine.

Internationally, opium, coca leaves, marihuana, and their more important derivatives have been under control by the terms of the Opium Conventions of 1912, 1925, and 1931. In addition, under Article 11 of the 1931 Convention and the international Protocol of November 19, 1948, two secondary derivatives of opium and 37 synthetic drugs have been found to have addicting qualities similar to morphine or cocaine and have been brought under international control by a procedure similar to that provided in our national legislation. The agreement to limit the production of opium to world medical and scientific needs signed at the United Nations on June 23, 1953, and approved by the United States Senate August 20, 1954, was followed by Senate Resolution 290 of June 14, 1956, urging other governments also to ratify. This Protocol requires the ratifications of 25 states including any three of seven named producing countries and any three of nine named manufacturing countries. As of June 30, 1958, 32 ratifications had been deposited including five from manufacturing countries, but only one from a producing country. When two additional producing states have deposited their ratification the Protocol will become effective and should then accomplish a much further reduction in the amount of opium available to the illicit traffic.

In the United States important and effective aid in discouraging the illicit traffic in narcotics and marihuana continues to be afforded by the Narcotics Control Act of 1956 (21 U. S. C. 174).

The effects of these laws continue to be reflected in the sentences imposed. In Federal courts the average sentence per conviction for unregistered narcotic violators was 6 years 1 month in 1958 as compared with 5 years 6 months in 1957; and for marihuana violators it was 4 years 11 months as compared with 4 years 8 months in 1957. The gradual stiffening of penalties at both national and State levels is slowly but steadily producing a deterrent to illicit traffic in the areas affected by the heavier sentences.

Excellent cooperation continues between Federal, State, and municipal narcotic law enforcement agencies in the exchange of narcotic law enforcement information. The names of 44,146 addicts were recorded in our central index as of December 31, 1957. The narcotics training school, for State and municipal officers, is staffed by 20 experts in narcotic law enforcement. It has now graduated 376 State and municipal narcotic law enforcement officers, representing 159

separate law enforcement agencies from 34 States and Puerto Rico. Officers from Canada, Afghanistan, Indonesia, Iran, Jordan, Lebanon, Mexico, Japan, and Turkey also have attended the school.

The Bureau's inservice training program for its own officers was augmented during the year, and 33 of its agents completed courses in the Treasury Department law enforcement school; the Bureau's fiscal procedures were further streamlined in connection with a site audit by a General Accounting Office team. Cash awards for management improvement suggestions were paid to 21 employees.

The Bureau directs its principal activities toward the suppression of the illicit traffic in narcotic drugs and marihuana and the control of the legitimate manufacture and distribution of narcotics through the customary channels of trade. It issues permits for import of the crude narcotic drugs and for export and intransit movements of narcotic drugs and preparations passing through the United States from one foreign country to another. It supervises the manufacture and distribution of narcotic substances within the country and has authority to issue licenses for the production of opium poppies to meet the medical needs of the country if and when such production should become in the public interest. Cooperation is given to States in local narcotic legislation and enforcement and to the Department of State in the discharge of the international obligations of the United States concerning the abuse of narcotic drugs and marihuana.

During the fiscal year 1958 the total quantity of narcotics seized amounted to 2,902 ounces as compared with 2,089 ounces in 1957. Seizures of marihuana during 1958 amounted to 660 pounds bulk, and 1,620 cigarettes, as compared with 1,049 pounds bulk and 3,051 cigarettes in 1957.

Thefts of narcotics from persons authorized to handle the drugs increased slightly in number during 1958. The quantity stolen, however, was somewhat less, 1,365 ounces as compared with 1,514 ounces in 1957.

During the fiscal year there were approximately 302,000 persons registered with directors of internal revenue under the Federal narcotic and marihuana laws to engage in legitimate narcotic and marihuana activities.

The table following shows for the fiscal year the number of violations of the narcotic and marihuana laws by persons registered to engage in legitimate narcotic and marihuana activities and by persons who have not qualified by registration to engage in such activities, as reported by Federal narcotic enforcement officers.

146 1958 REPORT OF THE SECRETARY OF THE TREASURY

Number of violations of the narcotic and marihuana laws reported during the fiscal year 1958 with their dispositions and penalties

	Narcotic laws								Marihuana laws					
	Registered persons				Nonregistered persons				Nonregistered persons					
	Federal Court		State Court		Federal Court		State Court		Federal Court		State Court			
Pending July 1, 1957.....	39								752				141	
Reported during 1958:														
Federal ¹	16								1,508				200	
Joint ¹														
Total to be disposed of.....	55								2,260				341	
Convicted:														
Federal.....	8	2		940		197		148		34				
Joint.....									1					
Acquitted:														
Federal.....	1			37		15		9		1				
Joint.....									1					
Dropped:														
Federal.....	20			306		41		35		8				
Joint.....	2			5		5		1		1				
Total disposed of.....	33								1,549				237	
Pending June 30, 1958.....	22								711				104	
Sentences imposed:	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.		
Federal.....	18		2	6	5,769	6	766	7	731	6	97	2		
Joint.....									5					
Total.....	18		2	6	5,774	6	771	7	731	6	97	2		
Fines imposed:														
Federal.....	\$16,520								\$127,124				\$9,057	
Joint.....									100				\$3,068	
Total.....	16,520								127,224				9,057	
Average sentence per conviction:	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.		
1958.....	2	3	1	3	6	1	3	10	4	11	2	10		
1957.....	2	4		10	5	6	3	9	4	8	3	4		
Average fine per conviction:														
1958.....	\$2,065								\$135				\$46	
1957.....	365								199				55	
													\$21	
													\$182	
													16	

¹ Federal cases are made by Federal officers working independently, while joint cases are made by Federal and State officers working in cooperation.

In foreign countries, investigation, surveillance, and negotiation are undertaken to restrict the amount of narcotic drugs entering this country. In fiscal 1958 through cooperation with the Canadian, French, Swiss, Italian, Greek, Turkish, Syrian, Lebanese, Ecuadoran, and Cuban Governments several large seizures of crude, semiprocessed, and finished narcotics destined for the United States were effected and two large clandestine laboratories closed. The Bureau continues on guard against the large supplies of opium and heroin which are available in Communist China.

The importation, manufacture, and distribution of opium and its derivatives are subjected to a system of quotas and allocations designed to secure their proper distribution for medical needs. Additional quantities of opium were imported during the year. Coca leaf imports were sufficient both for medicinal purposes and for the manufacture of nonnarcotic flavoring extracts.

The quantity of narcotic drugs exported in 1958 was slightly less than in 1957. The export total is not significant in comparison with the quantity used domestically. The manufacture of opium derivatives continued high, principally because of the high medical consumption of codeine and papaverine.

United States Coast Guard

The basic duties of the United States Coast Guard are prescribed in Title 14 of the United States Code. In general they include: Enforcement or assistance in enforcing Federal laws on the high seas and waters over which the United States has jurisdiction, in particular, laws governing navigation, shipping, and other maritime operations, and protection of life and property within this jurisdiction. The Service is also responsible for promoting the safety and efficiency of merchant vessels; the development, establishment, maintenance, and operation of aids to maritime navigation to meet the needs of commerce and the armed forces; maintenance of a state of readiness to function as a specialized service in the Navy in time of war; and maintenance and training of an adequate reserve force.

Prevention of loss of life and property due to illegal or unsafe practices is a major aim of the Coast Guard. The maintenance of maritime safety and order includes not only strict law enforcement, but also an educational program to prevent marine casualties by gaining the cooperation and self-regulation of ship operators and boatmen.

Search and rescue operations

A rise in the Nation's waterborne and airborne commerce, together with the phenomenal growth of pleasure boating, makes ever-increasing demands on the Coast Guard's search and rescue facilities. Lifeboat stations, air stations, and floating units along both coasts, the inland waterways, Alaska, Hawaii, Bermuda, Puerto Rico, and Newfoundland are integrated into an effective search and rescue network by radio stations, communication centers, and rescue coordination centers. All Coast Guard air and surface craft are available for search and rescue duties primarily, or in conjunction with regularly assigned duties.

The Coast Guard continued to improve its communication network as part of its responsibility under the President's National Search and Rescue Plan for coordinating the facilities of all agencies capable of assisting in maritime cases in the Atlantic and Pacific Oceans, the Caribbean, and the Gulf of Mexico. Agreements were completed with all agencies concerned; lectures were given on procedures; several seminars were held; and full-scale search and rescue exercises for airlines' personnel and other agencies were held quarterly in Honolulu, and begun at Miami on a semiannual basis.

Bureau of Narcotics ¹

The Bureau of Narcotics administers a program designed to accomplish the aims of the Federal statutes and international conventions relating to narcotic drugs and marihuana.

The principal objectives of the Bureau are: (1) To suppress the illicit traffic in such drugs and thus avoid the spread of addiction; (2) to control the legitimate manufacture and distribution of narcotic medicines and prevent their diversion for addiction purposes; (3) to cooperate through the State Department with other governments in control of the international drug traffic and the discharge of the obligations of the United States under the several narcotics conventions and protocols; and (4) to cooperate with the several States in narcotic drug legislation and local law enforcement.

Law enforcement

To suppress illicit traffic the Bureau concentrates its efforts as far as possible on: (1) Eliminating foreign sources of supply of clandestine drugs and preventing their entry into the United States; (2) the detection and prevention of illicit interstate traffic; (3) the detection and elimination of wholesale traffic within the States; and (4) cooperating with State and local officials to accomplish the elimination of retail peddling and the treatment and cure of addicts.

In foreign countries investigation, surveillance, and negotiation are undertaken to detect and locate narcotic drugs intended for illicit traffic and prevent their entering this country. During the fiscal year 1959 through cooperation with the Canadian, French, Greek, Italian, Lebanese, Swiss, Syrian, and Turkish governments large seizures of crude, semiprocessed, and finished products destined for the United States were effected, leading in some instances to the closure of large clandestine laboratories. The Bureau continues on guard against the large supplies of opium and heroin which are available in Communist China.

In the United States important and effective aid in discouraging illicit traffic continues to be afforded by the Narcotics Control Act of 1956 (21 U.S.C. 174). The effects of this law are reflected in the increased sentences imposed. In Federal courts the average sentence per conviction for unregistered narcotic violators was 6 years 7 months in 1959 as compared with 6 years 1 month in 1958; and for marihuana violators it was 5 years 7 months as compared with 4 years 11 months in 1958. The gradual stiffening of penalties at both national and State levels is slowly but steadily producing a deterrent to illicit traffic in jurisdictions where the policy of heavier sentences applies.

In the course of its enforcement activities during the fiscal year the Bureau seized a total of 94,223 grams of narcotics as compared with 82,272 grams in 1958. Seizures of marihuana amounted to 343 kilograms 194 grams bulk and 607 cigarettes as compared with 299 kilograms 236 grams bulk and 1,620 cigarettes in 1958.

The following table shows for the fiscal year the number of violations of the narcotic laws reported by Federal narcotic enforcement officers. Violations by persons registered to engage in legitimate narcotic and marihuana activities are shown separately from those

¹ Further information concerning narcotic drugs is available in the separate report of the Bureau of Narcotics entitled *Traffic in Opium and Other Dangerous Drugs for the Year Ended December 31, 1958*.

by persons who were not qualified by registration to possess or handle the drugs.

Number of violations of the narcotic and marihuana laws reported during the fiscal year 1959 with their dispositions and penalties

	Narcotic laws								Marihuana laws			
	Registered persons				Nonregistered persons				Nonregistered persons			
	Federal Court		State Court		Federal Court		State Court		Federal Court		State Court	
Pending July 1, 1958.....	22				711				104			
Reported during 1959:												
Federal ¹	8				1,600				146			
Joint ¹												
Total to be disposed of.....	30				2,311				250			
Convicted:												
Federal.....	1				806		262		89		38	
Joint.....											1	
Acquitted:												
Federal.....					65		22		3		6	
Joint.....												
Dropped:												
Federal.....	18		1		232		76		24		8	
Joint.....							1		1			
Total disposed of.....	20				1,464				170			
Pending June 30, 1959.....	10				847				80			
Sentences imposed:	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.
Federal.....	8				5,340	.6	1,157	.8	500	10	131	10
Joint.....											2	
Total.....	8				5,340	.6	1,157	.8	500	10	133	10
Fines imposed:												
Federal.....					\$155,724				\$2,708			
Joint.....												
Total.....					155,724				2,708			
Average sentence per conviction:	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.	Yrs.	Mos.
1959.....	8				6	7	4	5	5	7	3	5
1958.....	2	3	1	3	6	1	3	10	4	11	2	10
Average fine per conviction:												
1959.....					\$193				\$107			
1958.....	\$2,065½				135				46½			

¹ Federal cases are made by Federal officers working independently while joint cases are made by Federal and State officers working in cooperation.

Control of manufacture and medical distribution

In its control of legitimate trade the Bureau issues permits for imports of crude materials, for exports of finished drugs, and for intransit movement of narcotic drugs and preparations passing through the United States from one foreign country to another. It supervises the manufacture and distribution of narcotic medicines within the country and has authority to license the growing of opium poppies to meet the medicinal needs of the country if and when their production should become in the public interest.

142 1959 REPORT OF THE SECRETARY OF THE TREASURY

The importation, manufacture, and distribution of opium and coca leaves and their derivatives are subjected to a system of quotas and allocations designed to insure their proper distribution for medical needs. During the year 175,073 kilograms of raw opium were imported from Turkey and India and 135,186 kilograms of coca leaves were imported from Peru to meet medical requirements for opium derivatives and cocaine and to supply nonnarcotic coca flavoring extracts. The latter were obtained as a byproduct from the same leaves from which the cocaine was simultaneously extracted.

The quantity of narcotic drugs exported during 1959 was somewhat more than was exported during 1958. However, the export total is not significant in comparison with the quantity used within the United States. The manufacture of narcotics continued high, principally because of the high medical consumption of pethidine, codeine, and papaverine.

There were 1,325 thefts of narcotics reported during the year from persons authorized to handle the drugs as compared with 1,147 the previous year. The quantities reported stolen amounted to 51,399 grams during 1959 and 38,698 grams in 1958.

Approximately 319,000 persons registered to engage in lawful narcotic and marihuana activities, practically all of whom were engaged in the manufacture, wholesale or retail distribution, or dispensing or prescribing of narcotic drugs for legitimate medical uses. The industrial and scientific uses of narcotic substances are comparatively few in number and such use is insignificant in volume.

International cooperation

The Bureau submits to appropriate agencies of the United Nations advance estimates of annual requirements for each basic drug covered by the several international conventions and, after the year has ended, full and complete statistics of manufacture, distribution, imports, exports, and stocks of all such drugs. It applies a system of import, export, and intransit permits which conforms to the requirements of these conventions as well as to our own Narcotic Drugs Import and Export Act. It exchanges, direct with the narcotics control authorities of other governments, information relating to movements of drugs under such permits, as well as information relating to illicit traffickers and illicit movements of narcotics between countries. Through the State Department the Bureau cooperates in matters of narcotic policy with other governments and with the United Nations. The Commissioner of Narcotics is the American Representative on the United Nations Commission on Narcotic Drugs, which meets annually to review the work of the various international agencies concerned with narcotics and make recommendations on narcotic matters to the Economic and Social Council.

Cooperation with States and municipalities

Excellent cooperation continues between Federal, State, and municipal narcotic law enforcement agencies in the exchange of law enforcement information and in local law enforcement activities. Many types of minor violations and routine inspections formerly handled by the Bureau are now referred to local or State authorities for investigation and prosecution, or investigated jointly with them.

The names of 46,266 active addicts were recorded in the Bureau's central index as of December 31, 1958, many of whom were reported by State and municipal agencies.

Scope of activities

The scope of the Bureau's operations continues to enlarge as additional drugs are made subject to the narcotic laws. Opium and coca leaves and their derivatives have been under national control since 1915; marihuana has been under control since 1937; isonipecaine, a synthetic known generally as meperidine and internationally as pethidine, was brought under control in 1944; and under the act of March 8, 1946 (26 U.S.C. 4731(g)), a total of 34 other synthetic narcotics have been brought under control through findings by the Secretary of the Treasury, proclaimed by the President that the drugs possess addiction liability similar to morphine.

Internationally, opium, coca leaves, marihuana, and their more important derivatives have been under control by the terms of the Opium Conventions of 1912, 1925, and 1931. In addition under Article II of the 1931 Convention and the international Protocol of November 19, 1948, two secondary derivatives of opium and 37 synthetic drugs have been found to have addicting qualities similar to morphine or cocaine and have been brought under international control by a procedure similar to that provided in our national legislation. The agreement to limit the production of opium to world medical and scientific needs signed at the United Nations on June 23, 1953, and approved by the United States Senate August 20, 1954, was followed by Senate Resolution 290 of June 14, 1956, urging other governments also to ratify. This Protocol requires the ratifications of 25 states including any three of seven named producing countries and any three of nine named manufacturing countries. As of June 30, 1959, 32 ratifications had been deposited including six from manufacturing countries, but only one from a producing country. When two additional producing states have deposited their ratification, the Protocol will become effective and should then accomplish a much further reduction in the amount of opium available to the illicit traffic.

Narcotics training school

The Bureau's narcotics training school, staffed by 20 experts in narcotic law enforcement, has now graduated 500 State and municipal law enforcement officers, representing 189 separate agencies from 39 States and Puerto Rico. Officers from Afghanistan, Canada, Ecuador, Indonesia, Iran, Iraq, Japan, Jordan, Korea, Lebanon, Mexico, Thailand, and Turkey also have attended, representing 19 separate agencies from the 13 countries.

Management improvement

During the fiscal year one Bureau field district was abolished and its territory assigned to adjoining districts, for better utilization of manpower. The procedure for handling forfeitures of seized automobiles was streamlined and shortened to effect quicker forfeitures and dispositions with substantial savings in time and costs of automo-

144 1959 REPORT OF THE SECRETARY OF THE TREASURY

bile storage. A blanket lump sum postage contract with the Post Office Department has simplified mailing procedures. A system of monetary property accounting was instituted under which the Bureau's nonexpendable property is under continuous accounting control. The Bureau changed from the avoirdupois system of pounds, ounces, and grains to the more flexible metric system (kilograms, grams) for reporting and accounting for seized narcotics. A beginning was made in transferring addict records to punch cards for accurate and rapid identification of addicts and machine compilation of addiction statistics. Courses in the Treasury Department law enforcement school were completed by 29 narcotics officers. Cash awards were paid 15 employees for management improvement suggestions or for especially meritorious services.

United States Coast Guard

Enforcing or assisting in enforcing Federal laws on the high seas and waters within the jurisdiction of the United States is a basic duty of the United States Coast Guard. These laws govern navigation, shipping and other maritime operations, and the allied protection of life and property. The Service also promotes the safety and efficiency of merchant vessels; develops, establishes, maintains, and operates aids to maritime navigation for commerce and the Armed Forces; maintains a state of readiness to function as a specialized service in the Navy in time of war; and trains and maintains an adequate reserve force. Marine casualties from unsafe and illegal maritime practices are prevented not only by strict law enforcement but also by an educational program enlisting the cooperation and self-regulation of shipowners and boatmen. Title 14 of the United States Code prescribes the basic duties.

Search and rescue operations

The rapid growth of the Nation's waterborne and airborne commerce and pleasure boating continues to make ever-increasing demands on the Coast Guard's search and rescue facilities. Lifeboat stations, air stations, and floating units along the coasts, the inland waterways, Alaska, Hawaii, Bermuda, Puerto Rico, and Newfoundland are integrated into an effective search and rescue network by radio stations, communication centers, and rescue coordination centers. All Coast Guard air and surface craft are available for search and rescue duties primarily, or in conjunction with regular assignments.

The new Atlantic merchant vessel position reporting program, effective July 1, 1958, is aimed at encouraging domestic and foreign merchant vessels to send voluntary position reports and navigational data to Coast Guard shore based radio stations and ocean station vessels. Relayed to a ships' plot center in New York and processed by machine, these data provide up-dated position information for Coast Guard rescue coordination centers. The centers may then direct only those vessels which can be of effective aid to craft or